



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

File

December 23, 1992

Mr. Ira Sachs
#8 Stag Lodge
P. O. Box 3000
Deer Valley
Park City, Utah 84060

Dear Mr. Sachs:

Re: Utah Portland and Lone Star Cement Properties

Thank you for meeting with Lowell Braxton and me December 15, 1992, to discuss Division of Oil, Gas, and Mining permitting requirements for minerals mining. During the discussion you asked for clarification of the Division's position on what constitutes a rock aggregate operation, and you requested additional clarification on how rock which had been blasted by a previous operator ("shot rock") might qualify as rock aggregate.

In our discussion, you indicated that you are considering three locations as sources for limestone. Properties in your area of interest which are on file with the Division of Oil, Gas, and Mining are as follows: Utah Portland Quarries, Inc. Little Mountain Quarry, M/045/005; Quarry Antone, M/045/021; and the Lone Star Industries, Parleys Canyon Quarry, DOE/035/003. You indicated that there are surface accumulations of shot rock in the Little Mountain/Quarry Antone area.

The first consideration should be whether the shot rock lies in an area permitted and bonded by the Division of Oil, Gas, and Mining. Shot rock within the disturbed portion of a permit area carries a reclamation requirement under the terms of the approved permit, reclamation contract and surety. A modification of the permit to allow loading of shot rock is possible, but such modification would not negate the reclamation and bonding responsibilities for permitted disturbed areas.

For existing occurrences of shot rock outside of disturbed areas on file with the Division of Oil, Gas, and Mining, the recovery of this resource would qualify as a rock aggregate operation. Such unregulated activities should minimize

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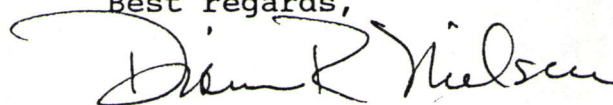
disturbances to soil resources and should be followed by revegetation of the exposed ground. The revegetation would be at your expense. The Division could assist with recommendation of a seed mix. The county would zone and regulate the operation. If you wish to pursue shot rock recovery at unpermitted operations, please provide the Division with a copy of whatever notice you file with the county.

The Lone Star Parley's Canyon Quarry is on record with the Division as a mining related disturbance filed as a Declaration of Exemption (DOE). When the statute was revised in 1987, the DOE provisions were deleted and operations were categorized according to size of disturbance with reclamation required of all operations and posting of surety for operations of greater than five acres. The quarries did not operate after the change in the law. Lone Star performed some voluntary reclamation at the Parley's Canyon site, that reclamation did not extend to accumulations of shot rock and limestone talus that occur in the abandoned quarry. While the removal of the shot rock is not a mining operation, it should be done in a manner that does not expose cliffs on highwalls that endanger hikers.

Any operations at the Parleys Canyon Quarry or other locations contemplating blasting and mechanical recovery of in situ consolidated materials and other surface disturbances related to such resource recovery would be considered mining activities under the Division's authority and would require appropriate notice or permitting, depending on the size of the disturbance.

I hope this helps you in your consideration of possible limestone recovery activities.

Best regards,

A handwritten signature in cursive script, appearing to read "Dianne R. Nielson".

Dianne R. Nielson
Director

vb
cc: L. Braxton
W. Hedberg
rasachs